

Section Answer Keys

Chapter 6 Legal and Ethical Issues

Section 6.1 Government and Laws

Review Key Concepts

1. The five roles the government plays in a free enterprise system are provider of services, customer, regulator, supporter of private (free) enterprise, and monitor of the economy.
2. All three are concerned with enforcing the principles of the private-enterprise system and protecting consumers, but the ways in which they accomplish this differ. The Bureau of Consumer Protection is responsible for protecting consumers from businesses that violate laws and regulations; the Bureau of Competition is responsible for preventing anti-competitive mergers and business practices; the Bureau of Economics studies the impact of FTC actions on consumers.
3. Because these laws are designed to prevent anti-competitive mergers and business practices, they make certain that goods and services are priced competitively.

Practice Academics

Social Studies

4. The main goals of the CARD Act of 2009 are to protect consumers, make the language used to communicate with consumers easier to understand, make sure consumers are not taken advantage of, and make sure credit card companies are held accountable for their actions. The bill is designed to restrict the ability of teens and young adults to get credit cards. If they want a credit card, their parents must co-sign for it. Accept all reasonable answers with regard to students' opinions about this legislation.

Mathematics

5. The annual interest rate is 30 percent. (2.5×12)